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# Facing Liquidity Crisis Amid Coronavirus Pandemic, Governor Bryan Calls on Senate to Approve \$60 Million Bond for Government Operations

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## Governor Albert Bryan

Earlier this week Governor Albert Bryan said during a press conference that the central government had between 3-4 days of cash on hand, and that an infusion of funds would be needed to keep the government's liquidity from completely drying up.

To that end, Mr. Bryan on Wednesday night called on members of the 33rd Legislature to approve legislation authorizing his administration to seek \$60 million in borrowing through revenue anticipation notes — generally short-term loans that the government repays in about a year.

The legislation would authorize the government to use "any available source of public funds" to issue the revenue anticipation notes. "The Coronavirus has impacted the global, national, and local economies substantially, and the Virgin Islands has, as a consequence, experienced and expects to continue to experience, among other economic factors, significant disruption to the travel and cruise tourism industry," Mr. Bryan said. He said the government expects to see a drop in tourism-related revenue of 20-30 percent because of the coronavirus, which will greatly impact the GVI's coffers.

The measure will most likely be approved on Friday during an emergency session called by Senate President Novelle Francis. "We are exploring ways this [emergency session] can be done safely without creating additional exposure for our staff," Mr. Francis said.

According to Government House, the proposed legislation also would authorize the governor to do the following:

- Negotiate the final terms of all borrowing vehicles approved by the legislation as the Governor and the Public Finance Authority deem necessary.
- Execute and deliver all documents and agreements necessary in connection with the borrowing.
- Pay all expenses associated with the issuance of any authorized borrowing.

The legislation also would require the Virgin Islands Department of Finance to report to the Senate Finance Committee no later than 15 business days following any draw of principal borrowed and provide information regarding the purpose for which the funds were used, as well as a description of the source of the repayment, the administration said.

The interest rate on any revenue anticipation notes or bonds would not exceed 6 percent, and the maximum principal amount that can be borrowed is capped at \$60 million.